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# Message Text

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16
ACTION XMB-04

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 L-03 NSC-05 SS-15 STR-04

CEA-01 IO-10 SAM-01 /105 W
---------- 036059
R 160420Z NOV 75
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 4078

UNCLAS KUWAIT 4770

DEPT PASS EXIMBANK FOR BIERMAN FROM BOGOSIAN

E.O. 11652: N/A
TAGS: EFIN, BEXP KU
SUBJECT: EXIMBANK CFF PROGRAMS IN KUWAIT

1. AS RESULT INFORMAL SURVEY SELECTED KUWAITI BANKS AND INVESTMENT COMPANIES MADE DURING AND AFTER TUTINO/BIERMAN VISIT HERE, IT NOW APPEARS THAT THERE IS INTEREST AMONG KUWAITI INSTITUTIONS IN DEVELOPING CFF RELATIONSHIP WITH EXIMBANK. MOST INTERESTED ARE: KUWAIT FOREIGN TRADING, CONTRACTING AND INVESTMENT COMPANY (KFTCIC), KUWAIT INTERNATIONAL INVESTMENT COMPANY (KIIC), AND ALAHLI BANK. POSSIBLY INTERESTED ARE BANK OF KUWAIT AND MIDDLE EAST (BKME), GULF BANK AND NATIONAL BANK. NOT INTERESTED ARE COMMERCIAL BANK AND KUWAIT NATIONAL REAL ESTATE BANK. KFTCIC OFFICIAL HAS INDICATED THAT HE MAY WANT COMPANY'S MANY SUBSIDIARIES TO LOOK INTO CFF ARRANGEMENT ALSO.

2. BOGOSIAN DISCUSSED CFF IDEA WITH SEVERAL LOCAL BANKERS, AND IN GENERAL ALL AGREED THAT EXIM/CFF RELATIONSHIP COULD PERHAPS BE USEFUL TO HELP FINANCE US IMPORTS. ALL AGREED THAT KUWAITI CAPITAL REQUIREMENTS WILL INCREASE SUBSTANTIALLY IN NEAR FUTURE (SEE SEPTEL THIS SUBJECT). BANKERS FELT THAT KEY
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WILL BE WHETHER LOCAL BORROWERS CAN GET FUNDS AT BETTER RATE

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FROM OTHER SOURCES, INCLUDING, FOR EXAMPLE, INDUSTRIAL BANK OF KUWAIT. IN GENERAL LOCAL BORROWERS CAN GET KDS AT 8 PERCENT OR LESS. BANKERS VARY IN CONSIDERING WHETHER IN FACT CFF FUNDS AT 10 TO 10 1/2 PERCENT WILL BE ATTRACTIVE, AND AS INDICATED ABOVE ALAHLI SEEMS FAIRLY CERTAIN THAT CFF FUNDS WILL BE USEFUL WHILE COMMERCIAL DOES NOT.

3. IN ANY CASE, WE BELIEVE TIME HAS COME TO PLACE CFF PROPOSAL FORMALLY BEFORE POSSIBLY INTERESTED PARTICIPANTS. WE THINK LETTER FROM BOGOSIAN TO BANK MANAGERS WOULD BE APPROPRIATE, BUT IF YOU PREFER ANOTHER METHOD WE ARE FLEXIBLE. EMBASSY WOULD LIKE EXIMBANK TO SUGGEST BASIC TEXT OF LETTER WHICH WOULD BE SENT TO KFTCIC, KIIC, AND ALAHLI, GULF, NATIONAL AND BKME. ONCE BASIC PROCEDURES FOR KUWAIT HAVE BEEN DEVELOPED, THEY CAN BE APPLIED TO OTHER INSTITUTIONS HERE THAT MAY BE INTERESTED IN CFF.

4. ACTION REQUESTED: EXIMBANK REQUESTED COMMENT ON ABOVE AND, IF AGREES, TO SUGGEST TEXT OF LETTER FORMALLY INTRODUCING CFF TO LOCAL BANKS AND INVESTMENT COMPANIES THAT WILL BE SENT BY CHIEF EMBASSY ECONOMIC/COMMERCIAL SECTION AND WHICH IS LIKELY TO RESULT IN REQUEST BY SOME LOCAL INSTITUTIONS FOR CFF STATUS WITH EXIMBANK.
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# Message Attributes

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**Subject:** EXIMBANK CFF PROGRAMS IN KUWAIT
**TAGS:** EFIN, BEXP, KU, XMB
**To:** STATE
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